# Sales Objectives and Implementation

We must walk a difficult tightrope to adapt our business to new technologies, without losing our stronghold among professional musicians. We will need to let our market share drop a bit in the slow-growth acoustics segments of the market, while we significantly increase our share in keyboards, speakers, and other electronic equipment. We want to maintain continuity and tradition even while the industry sorts itself out with changes in market and technology. There will always be a traditional segment, and Encore will always be there.

[](http://www.google.com/imgres?safe=off&sa=G&hl=en&tbm=isch&tbnid=AbbtNh9YD7P9aM:&imgrefurl=http://commons.wikimedia.org/wiki/File:Vienna_-_Detail_of_a_Baroque_Piano_Keyboard_-_9539.jpg&docid=QosKfcewtvI4tM&imgurl=http://upload.wikimedia.org/wikipedia/commons/d/d6/Vienna_-_Detail_of_a_Baroque_Piano_Keyboard_-_9539.jpg&w=1600&h=1055&ei=IVSTUvCtDJOgsATH3ICoBw&zoom=1&iact=rc&dur=375&page=3&tbnh=110&tbnw=150&start=49&ndsp=30&ved=1t:429,r:59,s:0,i:271&tx=52&ty=44)

# Marketing Strategy

Our strategy focuses on key opinion leaders to maintain our position in the traditional music sector, while simultaneously developing new technologies that will protect our long-term position and may eventually lead us to new markets:

1. We must maintain positioning as a traditional and high-quality manufacturer, playing to our strengths and away from our weaknesses.

2. Where possible, we must position our marketing communications to emphasize good relations with specialty media and opinion leaders. Programs like the endorsement program, including give-away units, are most important. We need to keep our name and reputation in the minds of the true professionals.

3. We will continue to maintain focused high-prestige channels in a few major cities. Our customers know and respect our channels.

The following table shows the market share that Encore Musical Instruments expects over the next five years.

# Market Share Objectives

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| PER MARKET SEGMENT |  |  |  |  |  |
|  | 1995 | 1996 | 1997 | 1998 | 1999 |
| Acoustic | 30.00% | 30.00% | 26.00% | 26.00% | 24.00% |
| Electric | 18.96% | 17.00% | 15.00% | 12.00% | 9.00% |
| Keyboards | 14.00% | 15.00% | 17.00% | 25.00% | 35.00% |
| Speakers | 6.00% | 8.00% | 10.00% | 15.00% | 25.00% |
| Electronics | 14.20% | 15.00% | 17.50% | 20.00% | 20.00% |

# Sales Plan Changes

We will continue to sell through selected prestige retailers in these major cities: New York, Chicago, San Francisco, Seattle, Toronto, London, Tokyo, and Hong Kong.

The carefully selected channel strategy has worked well. There is no channel conflict, and retailers can count on maintaining their margins against competition. Our suggested retail prices allow some room for discounting programs with local professional organizations.

The following tables and accompanying charts provide a detailed sales forecast, both for the next year in quarters and for the next 5 years. It’s clear that if we reach even a portion of our projected growth, Encore has nowhere to go but up.